

***Internal Audit Report***

**EXIT AUDIT  
BARBARA M. COOK  
COUNTY SOLICITOR  
APRIL 2007**

***Office of the County Auditor***





## OFFICE OF THE COUNTY AUDITOR

Haskell Arnold, CPA  
County Auditor

April 2007

The County Council and County Executive  
of Howard County, Maryland

Pursuant to Section 213 of the Howard County Charter we have conducted a

EXIT AUDIT  
FOR  
BARBARA M. COOK

and our report is submitted herewith. The charter requires the County Auditor to perform an audit upon the "...death, resignation, removal or expiration of term of any County administrative officer." This audit was initiated because of the retirement of Barbara M. Cook, as County Solicitor, effective February 28, 2007.

Our review indicated that the assets relating to and under the control of Ms. Cook have been adequately accounted for in accordance with County requirements. The Administration will be responsible for distributing a copy of this report to Ms. Cook and arranging for implementation of any recommendations. We wish to express our gratitude to the staff of the Office of Law for their cooperation and assistance extended to us during the course of this engagement.

A handwritten signature in dark ink, appearing to read "Haskell Arnold".

Haskell Arnold, CPA  
County Auditor

A handwritten signature in dark ink, appearing to read "Dilawar Lakhani".

Dilawar Lakhani, C.P.A.  
Auditor-in-Charge

## INTRODUCTION AND SCOPE

In accordance with Section 213 of the Howard County Charter, the County Auditor is required to perform an audit upon the "...death, resignation, removal or expiration of term of any County Administrative Officer." Ms. Barbara M. Cook was the County Solicitor until she resigned effective February 28, 2007. Accordingly, we have performed a review of the leave records and final pay records of the Office of Law for the period January 1, 2007 through February 28, 2007 that related to Ms. Cook. In addition, we reviewed the County's financial records February 28, 2007 to determine that the Office of Law was within its budget allocation.

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and other auditing procedures, as we considered necessary in the circumstances. This primarily involved a review of travel advances, expense reimbursements, leave records, final pay, release of signatory authority, cancellation of computer systems access, and the custody and return of County property.

## FINDINGS AND RECOMMENDATIONS

### Leave Records and Final Pay

We examined Ms. Cook's leave records for the period January 1, 2007 through February 28, 2007. These records indicated that Ms. Cook used no annual leave. She used 18 hours of personal leave in calendar year 2007. The final paycheck issued to Ms. Cook included 584.87 hours of accumulated annual leave. We determined that the calculation of the payment amount for accumulated annual leave was accurate and that the Payroll Division applied an approved method established by the Federal Tax Code for determining State and Federal tax withholding for this lump sum payment. We validated the information on the corresponding manual check calculation (dollars and hours) by recalculating gross pay and deductions on the final paycheck and tracing the leave balance to the ADP payroll system leave accumulation report. We also reviewed Ms. Cook's leave records that were maintained independently by the Office of Law and found that they were in agreement with the ADP payroll system leave accumulation report.

As part of an agreement between the County and Ms. Cook, the County agreed to pay Ms. Cook ten (10) weeks of severance or involuntary separation pay. Ms. Cook waived certain rights based upon or arising out of her employment with the County and agreed to abide by the terms of the agreement. The Chief Administrative Officer, Lonnie Robbins and Ms. Cook signed the agreement dated February 28, 2007. We reviewed the severance payment made on March 2, 2007 along with her final pay and found that the gross pay, statutory deductions and net pay were calculated correctly.

#### County Assets and Access to County Property

The Separation from Employment section of the Howard County Employee Manual requires the employee to surrender all property issued by the County. We obtained a copy of the "Final Employee Inventory Checklist" of assets under Ms. Cook's control that indicated that all assets have been returned except her access card. Ms. Cook completed and signed the checklist, but it was not reviewed by a designee nor approved by a supervisor as required. (See related recommendation below.) The listing states that her access card was misplaced and not returned, and identification card and key issued by the County were returned in compliance with County requirements. In addition, we determined that Ms. Cook did not have any outstanding debts or travel advances due to County.

We also confirmed that Ms. Cook's access privileges to the various Howard County computer applications were suspended upon her retirement except purchasing system that was done on March 29, 2007, one month after her retirement.

The Howard County Employee Manual also states that an employee, depending on his/her status, may be required to file a financial disclosure statement pursuant to Section 22.205 of the Howard County Code. The Office of Law provided us with a copy of Ms. Cook's financial disclosure statement for the twelve-month period ending December 31, 2006 that was filed on March 1, 2007.

### Expenditures and Encumbrances

We reviewed expenditures vs. budget for Administration for FY2007 to determine if any expenditure significantly over budget occurred in Ms. Cook's areas of responsibility. By extrapolating year-to-date obligations (\$1,839,411) for the Office of Law, we estimate that expenditures for the entire fiscal year should be within approximately 5% of the annual budget of \$2,902,767.

### Policies and Procedures

In regard to policies and procedures for employee resignations, the County follows the "Separation from Employment" section of the Employee Manual, which lists various duties *as the responsibility of the resigning employee* when separating from the County. Before adoption of the current Employee Manual, the separation policy required that Human Resources obtain certification from the Purchasing Division, the Central Services Division, and the Department of Technology and Communication Services regarding the suspension of the employee's access to County assets and property. We believe that the responsibility for ensuring that the departing employee has surrendered all assets and access to County property rests with both the employee and the various County agencies that granted access to County assets. The appropriate agencies should certify to Human Resources that the employee's access has been rescinded and that all County assets have been surrendered. A representative of the Human Resources Department should verify and document that the employee and County agencies have fulfilled their respective obligations.

We therefore recommend that:

1. *The Office of Human Resources should amend the general rules related to separation from employment to provide for an independent verification of compliance with these rules. The revised procedures should specify that a representative of the Office of Human Resources is responsible for verifying that all items such as identification/access cards, keys, procurement cards and any other property issued by the County are surrendered upon separation and that a signed, complete employee checklist is obtained and secured with the former employee's personnel records.*